

## Message Text

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PAGE 01 LISBON 07003 091224Z  
ACTION EUR-12

INFO OCT-01 ISO-00 SS-15 EB-08 NSC-05 INR-07 CIAE-00  
DODE-00 NSAE-00 TRSE-00 SP-02 PRS-01 /051 W  
-----028528 092113Z /64L  
R 091201Z SEP 77  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC 2972

C O N F I D E N T I A L LISBON 7003

DEPT PASS TREASURY FOR SYVRUD

E.O. 11652: GDS  
TAGS: EFIN, ECON, PO  
SUBJ: PORTUGUESE ESCUDO RATE

REF: LISBON 6915

1. FOLLOWING ARE DOLLAR BUY RATES, IN ESCUDOS, FOR  
SELECTED DATES IN 1977:

DATE	RATE
AUGUST 1	38.457
AUGUST 16	38.675
AUGUST 25	38.482
AUGUST 29	39.307
AUGUST 30	39.719
SEPTEMBER 1	40.045
SEPTEMBER 2	40.345
SEPTEMBER 5	40.389
SEPTEMBER 6	40.403
SEPTEMBER 7	40.344
SEPTEMBER 8	40.330

2. DOLLAR BUY RATE PRECEDING COUNCIL OF MINISTER'S  
DECISION ON AUGUST 25 TO ADOPT CRAWLING PEG FOR ESCUDO  
WAS IN NEIGHBORHOOD OF 38.5 ESCUDOS/DOLLAR AND HAD  
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EXPERIENCED ONLY MODEST DEVIATIONS FOR SEVERAL PRECEDING  
MONTHS. PRESENT RATE THEREFORE REPRESENTS DEPRECIATION  
ON ORDER OF 4.5 PERCENT, REFLECTING CENTRAL BANK'S  
DECISION TO ALLOW ESCUDO TO DEPRECIATE RAPIDLY  
(SEE REFTEL). RATES FOR SEPTEMBER 5 THROUGH 8, HOWEVER,  
SUGGEST LEVELING OFF. IT IS POSSIBLE THAT EITHER THE  
CENTRAL BANK CONSIDERED THE RATE OF DEPRECIATION TOO

STEEP AND IS INTERVENING, OR THAT BANK IS YIELDING  
TO PRESSURE FROM GOP ELEMENTS WHO FAVOR ONLY GRADUAL  
DECLINE. EMBASSY BELIEVES LATTER HYPOTHESIS MORE LIKELY.  
CARLUCCI

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DOLLAR, FOREIGN EXCHANGE RATES, ESCUDO  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 09-Sep-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LISBON07003  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770327-0778  
**Format:** TEL  
**From:** LISBON  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1977/newtext/t19770982/aaaacqve.tel  
**Line Count:** 66  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 09529849-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 LISBON 6915  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 15-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1335185  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PORTUGUESE ESCUDO RATE  
**TAGS:** EFIN, ECON, PO  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/09529849-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
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**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009